

[Rao Bahadur A. Rengaswamy Aiyar.]

arrangements have, however, been given effect to with effect from 1st April 1936. Accordingly, a credit of Bh. Rs. 16½ lakhs has been taken under receipts on the Cochin Harbour Scheme in the budget estimates for 1113. A sum of Bh. Rs. 6.84 lakhs due from the British Government representing the refund by them of the import duty on foreign tobacco which had been pooled during the years 1931-32 to 1934-35 for the purpose of the tripartite division under the agreement of 1925, has been refunded by the Government of India during the year. Two instalments amounting to Bh. Rs. 1.47 lakhs due from Cochin towards the refund of their portion of the duty on tobacco have been taken credit for in the estimates of the next year.

Provision has been made under Advances in the estimates of next year for the contribution by this Government on account of the fourth stage works of the Cochin Harbour and for the purchase of a new Dredger.

STATE LIFE INSURANCE—PUBLIC BRANCH.

56. The State Life Insurance—Public Branch, introduced with effect from 1st Meenam 1109, with a view to afford facilities in the matter of insurance to the subjects of the State for making provision for themselves in their old age and also for their families, is working very successfully. 4,040 proposals for over Rs. 37½ lakhs were received during the short period of 3 years and 3 months and policies in respect of 2,810 proposals assuring over Rs. 25 lakhs have been issued. For 1113, the receipts are expected to be Rs. 1.30 lakhs and the expenditure Rs. 20 of a lakh, the expense ratio being nearly 15 per cent. only.

STATE PROVIDENT FUND.

57. The State Provident Fund Scheme started in 1107 with a view to enable Government servants to make some provision for themselves in their old age, or for their families in case of their premature demise, has continued to work very satisfactorily during the year. The number of subscribers has risen to 9,639 during 1112 and the fund is expected to have a closing balance of Rs. 7.26 lakhs at the end of 1112 and Rs. 9.76 lakhs at the end of 1113.

In view of the fact that the Government of India have reduced the rate of interest allowed on the Provident Fund Deposits in British India to 4 per cent. and that the rate of interest is only 3½ per cent. for our last loan, and 3 per cent. on Savings Bank Deposits, it is proposed to reduce the rate of interest on State Provident Fund from 5 per cent. to 4 per cent. after giving the usual notice of six months.

ASSETS AND LIABILITIES.

58. I furnish on pages 11 and 12 of the budget estimates the usual statement of assets and liabilities. The Government balance at the end of the next year is estimated to amount to Rs. 115.62 lakhs including the General Reserve Fund of Rs. 60.55 lakhs and the Sinking Fund Reserve of Rs. 14.75 lakhs. This includes, however, the sum of

Rs. 146.60 lakhs representing the estimated expenditure on remunerative schemes shown under "Debt Heads" to the end of the year 1113, so that the current balance of Government is expected to be overdrawn at the end of the next year by Rs. 30.98 lakhs. This will not be surprising, if we consider the fact that in recent years we have financed capital expenditure on productive and nonproductive schemes amounting to about three crores of rupees, *Vide* details below:—

	<i>In lakhs of rupees</i>	
Water Supply (Trivandrum and Mofussil)	...	80
Drainage	...	15
Electric Schemes	...	132
Railway, Chackai-Thampanoor	...	28
Army	...	12
Miscellaneous	...	33
Total	...	300

On the other hand, it is remarkable that our finances have successfully withstood the heavy strain to which they have been subjected. During the current year the debts due to the Palace, shown hitherto in the Savings Bank Accounts, have been funded. Our funded debt outstanding at the end of the year 1113 is estimated to stand at Rs. 110.89 lakhs and this sum together with the above estimated overdraft of Rs. 30.98 lakhs will be much more than covered by the value of our remunerative assets. We have also provided for the write off of bad debts amounting to Rs. 4.13 lakhs, in the estimates under review. Our debt position may be regarded as satisfactory.

59. In this connection, I am glad to announce that as a result of the able representation made by our esteemed Dewan, the Government of India have, with reference to clause (a) (iii) in Part I of Schedule I of the Imperial Bank of India Act, 1920 as amended by Act III of 1934, recently sanctioned the inclusion of the 5 per cent. Debenture loan 1941, and the 3½ per cent. Loan, 1956 issued by this Government among the securities which the Imperial Bank of India is authorized to recognise for the purposes of advancing and lending money and opening cash credits. The Imperial Bank of India will now advance money and open cash credits upon the security of the Travancore Government Pro-Notes above referred to in the same way and to the same extent as to the holders of Government of India Securities. I believe that this is a privilege granted only to one or two other Indian States. It is needless to state that this recognition by the Paramount Power testifies to the strong position held by the State in the money market and in the financial sphere.

COMMITMENTS.

60. I give below our probable commitments in regard to capital expenditure on the more important schemes now in progress, for 1114 and succeeding years in so far as they can be estimated at present:—